EXCHANGE

SIGILLVM · VNIVERSITATIS · CALIFORNIENSIS

LVX

FIAT

MDCCCLXVIII

EX LIBRIS

Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

http://www.archive.org/details/caseofbenjaminra00rathrich

THE CASE OF

BENJAMIN RATHBUN

This Remarkable Financier's Own Statement of His Operations in Buffalo and Niagara Falls, Culminating in Forgery and Imprisonment.

Now first published from his own manuscript written in jail.

THE CASE OF BENJ. RATHBUN[1]

THE STORY OF A FAMOUS BUILDER OF BUFFALO, WHO SERVED FIVE YEARS IN STATE'S PRISON FOR FORGERY, AS TOLD BY HIMSELF.

It is generally known in Buffalo that my business transactions have been of an immense amount and various in their character.

Extensively engaged in the building business in all its various branches, the improving of real estate, merchandising on a corresponding scale, dealing in lands, manufacturing railroad cars, post coaches and pleasure carriages in all their variety, running various lines of stages and omnibuses and many other minor branches of business, it became absolutely necessary to appoint an agent or overseer to each respective department, my own time being continually occupied in devising and carrying out extended

1. Readers of volume sixteen of these Publications may recall that a chapter entitled "A Builder of Buffalo" was devoted to the building and financial operations of Benjamin Rathbun. At the close of the chapter (p. 103) reference was made to a curious manuscript by Mr. Rathbun, owned by the Buffalo Historical Society. "Its importance," it was there stated, "as a chapter of Buffalo history, entitles it to publication in full, to which end it is destined, in a succeeding volume of these Publications."

This is the document here printed. It has never been published, so far as known. The little that can be told about it is that prior to 1872 it was in the keeping of the Young Men's Association of Buffalo. On January 5th of the year named it was turned over to the Buffalo Historical Society. It consisted of 68 foolscap pages, but the first page is lost, and the second page bears two captions, not in Rathbun's writing: "Confession of Benj. Rathbun"; and, more accurately, "Statement of Benj. Rathbun's affairs, by himself." The statement is wholly in Mr. Rathbun's peculiar and often difficult handwriting;

plans of improvement and superintending the various works I had in progress.

My financial operations were of necessity constant and heavy in their amount, and being so constantly employed both in body and mind in my out-door operations, it necessarily forced the entire management of all my pecuniary transactions into the hands of another.

For some years, my only brother, Lyman Rathbun, has been my confidential agent and cashier. From his long experience in that branch of my business the skill and management he had exercised in conducting it in all its varieties through the changes and pressures of times had not only gained my entire confidence, but I have reasons to believe he had the confidence of all those who have moneyed transactions with him, that he possessed extraordinary financial powers.

So confident was I of his superior ability to myself in the management of that part of the concern that I had for a long period of time given up the entire direction, control and management of all my finances to him. I never interfered with his management and for a long time have not written any letters to my agents on money matters but what were dictated by him, and in all such cases have followed

---

and although great care has been taken in copying, it is possible that our transcript has now and then gone astray. Countless errors of spelling and phraseology in the original have been corrected. That Mr. Rathbun wrote this statement in jail, between the time of his arrest (Aug. 3, 1836) and his conviction and removal to Auburn prison, September, 1838, is proved by numerous allusions in the text. The loss of the first page breaks a preliminary statement, which does not appear at all essential. Our text begins with what was the author's real beginning, on page two.

That this statement is important, in the documentary history of Buffalo, needs no assertion. Read in connection with the accounts of the Rathbun enterprises and forgeries above referred to, and elsewhere in these volumes, it offers to the future historian fuller data than have been heretofore available, for an intelligent and unbiased record of this remarkable man's part in the history of Buffalo.

his advice and direction, for he had so entirely the control of that part of the business that I seldom knew when, where, or how funds were raised, and never when payments were due, but from him.

I furnished him my signature in blank on notes, drafts and checks, in all the variety of forms both as drawer and endorser, and in addition to which he had a full power of attorney to sign my name and transact all manner of business for me.

He had in his employment and under his immediate and exclusive control his two nephews, Rathbun Allen and Lyman Rathbun Howlet,[1] both of whom were hired by him, and by his particular request were taken under his immediate and exclusive control. These two young men were constantly in his employ, while other clerks were sometimes called to his aid in many of his out-door money transactions, my name being furnished in blank in all the variety of forms necessary for his use. He in all instances procured the necessary endorsements. I left the entire management to him. So completely had he the control of all my financial concerns, as well as of my confidence, that I did not know anything in detail or the amount of my liabilities until since the failure, nor do I even now know the full extent, having no opportunity of getting at the facts.

The *management* of the other branches of my business was also entrusted to agents of respectability and in whom I had the most entire confidence.

James DeLong was my general agent in all out-door operations, to make contracts, collect the payments on contracts, and a general superintendent of all out-door affairs.

Samuel Haines, a general agent and overseer of the

1. This name often occurs as "Howlett," but Mr. Rathbun always wrote it "Howlet," and so it appears in the Buffalo Directory of 1836.

mechanical part of the building operations, each branch having its respective foreman.

W. S. Gardner and J. W. Thwaites, architects.

W. F. Wright, A. Hemstreet, O. Stickney, W. W. Mason, J. Phelps, C. Talmage and A. Phelps, foremen carpenters.

A. Loomis, C. G. Howel, T. Young, W. Brewster, A. Sweet, G. Williams, W. B. Olmstead, B. Hopkins, S. Hobert and C. M. Russell, foremen joiners.

D. Canfield, superintendent of mason work.

R. Demsey, T. Demsey, F. Singer, R. Sour, foremen stone masons.

G. Phillips, N. Jones, H. Rumrill, R. Gorham, S. Gorham, B. Gorham, T. B. Tilden, D. Moon, T. Phillips and H. Cummings, foremen brick masons.

J. Mantling, superintendent of flagging and paving.

J. Scott, overseer and head foreman of plastering and stucco corniching in all its various branches.

W. Creery, foreman plastering and corniching.

E. Lee, overseer and head foreman of the stone cutting business in all its various branches—contractor and measurer of cut stone, etc.

J. McEntire, foreman of stone-cutters' shop.

R. G. Buchanan, overseer and head foreman of house painting and glazing, with other foremen under him.

A. Gardner, superintendent of steam engine and foreman at machinery.

G. W. Platt, foreman tinning roofs, copper gutters, conductors, etc.

H. S. Chamberlain and J. Fairchild, foremen blacksmiths.

T. S. Rainey, foreman of all horse shoeing.

A. Hawkins, foreman boat builder.

O. H. Willis, agent for purchase of lumber, superintendent of lumber yard, receiver of lumber from vessels, boats, etc.

N. R. Woodruff, measurer of lumber.

J. M. Rease, superintendent of canal and river boats and delivering building materials to the different foremen.

L. Kimball, purchaser of lumber at stores and in streets as it comes to market.

B. Smith, superintendent the delivery of supplies to the various foremen of the different branches—receiver and measurer of building stone, etc., etc.

E. J. Weeks, warehouse clerk.

R. H. Best, general overseer of all the teaming department in all its varieties.

S. Holden, overseer of brick yards.

Geo. Martin Rose, superintendent of stone quarry and general overseer of all the laborers.

Nicholas Ketz, Francis Safford and Lawrence Young, foremen laborers.

J. E. Haddock, clerk to take amount of all laborers' time every day and give each a certificate of their time every week, which certificate was presented to the paymaster and entered in a pass book, one of which was required to be kept by each and every mechanic and laborer, in which was entered his debit and credit every week. That book always showing the balance (if any) due the holder, and that book was a sufficient order and authority for any clerk to pay goods to the amount due the owner. (The cash always paid by the paymaster.) These books were very important, as they served as a check to overdrawing and in fact as important to both parties as a bank book is for the customer of a bank where frequent deposits are made.

Each and every of the above named foremen and overseers had a number of men under them.

It was the duty of every foreman or overseer to render an account to the bookkeeper or paymaster every week, the number of men under him, the number of days each worked, and the price of each man's work, by giving a certificate to each (having printed blanks for that purpose). The amount of such certificate was required to be entered in a pass-book by the bookkeeper as before mentioned, and every person was paid a part or all his wages once a week by the paymaster, who received his funds in all cases from L. Rathbun, the cashier and sole manager of all the financial matters.

The amount of the building operations alone were heavy. The contracts entered into for others, and buildings commenced on my own lots for the year 1836, amounted to more than one million dollars, notwithstanding I had cautioned my general agent, DeLong, to hold back and try to curtail my building operations and if possible reduce the demand for money.

A. S. Merrill, general agent and overseer of the several branches of business, including the building of railroad cars, post coaches and pleasure carriages of all descriptions, each branch having their respective foremen, viz.:

Wm. Brown, foreman of building railroad cars.

S. A. Sayre and W. C. Palmer, foremen of the wood work of post coaches.

T. Armstrong, foreman of wood work of pleasure carriages.

G. Singer and J. Davis, wheelwrights.

Geo. Hogg, foreman ironing post coaches.

A. Waddell, foreman ironing pleasure carriages.

J. Van Evern, foreman painter of post coaches and pleasure carriages.

S. C. Smith, foreman trimmers of railroad cars and post coaches.

T. T. Laing, foreman trimmers of pleasure carriages.

All persons connected with these branches of the establishment received their pay from A. S. Merrill and he received his funds from L. Rathbun and deposited all his receipts for work sold (whether in cash or notes) with L. Rathbun as the proper person to take charge of all receipts, as all disbursements were made by him through the authorized paymasters or agents.

Edwin Smith, general agent and superintendent of stores, teams, purchase of building materials, and paymaster at Niagara Falls.

J. W. Colie, general agent, architect and superintendent of all the different branches of mechanical operations at Niagara Falls with foremen under him for all the different mechanical departments, viz.: stone cutters, stone masons, brick masons, plasterers, carpenters, joiners, millwrights, painters and glaziers, stone quarries, brick yards, etc., etc. Much of the business at Niagara Falls required and received a share of my personal attention, as it was the commencement of operations, consequently plans had to be formed and systems adopted that would unite in carrying out the general arrangements for future improvements, which were commenced on a magnificent scale.

Z. Sleeper, agent and clerk at Cattaraugus Falls, where I have a store of goods and mills for sawing lumber which was a heavy and very important item in my building operations.

E. L. Stevenson, head clerk and bookkeeper in general stage office.

S. Hemenway, agent and superintendent of coaches and horses at Buffalo for all the different lines running out of Buffalo.

J. T. Hathaway, general traveling agent and superintendent on all the different lines of stages, which, if in a single line, would amount to more than five hundred miles a day.

I also run a splendid line of omnibuses the entire length of Main street.

Thomas G. Perkins, agent for purchase of dry goods and head clerk of the dry goods stores in Buffalo.

The Feeny[1] dry goods store, No. 230 Main street, was under his entire control and management as were the clerks employed in said store.

The carpet store, 308 Main street, was managed by Geo. Clark.

Wm. F. Holmes, head clerk in the large and principal dry goods store 306 Main street with 6 or 8 other clerks.

Wm. Kortz, head clerk in the large and principal grocery, provision and hardware store 306 Main street, with 6 or 8 other clerks.

Albert Smith, agent located at stores for the receipt and payment of various building materials, superintending the receiving of all kinds of goods at warehouse, etc.

G. K. Coates, paymaster and bookkeeper of the mechanics and laborers who always received his funds for said payments of L. Rathbun.

J. R. Beals, bookkeeper and agent for the collection of all money due on leases of houses, stores, shops, lots, etc., etc., and when collected his deposits were always made with L. Rathbun.

1. The Buffalo directories of the '30's do not contain this name, but so it appears to be in the Rathbun MS.

Jas. Dickson, bookkeeper.

Henry Seymour, teller, for redeeming engraved notes, and checks which were issued as money, the funds for which he always received from L. Rathbun and rendered all his accounts to L. Rathbun for everything done in money matters.

The head clerks in each and every store were required to deposit all the receipts of the stores with L. Rathbun, and all the funds for payments of every kind, whether in cash or notes, checks or drafts, were always drawn from him.

In all these several branches it will readily be seen that a large amount of money was daily required to carry them all on in the prompt and vigorous manner they were prosecuted. The daily disbursements were not less than $10,000. The number of men actually employed in all the different branches of this establishment were not less than 2000 at the time of the failure (although the numbers had been much reduced since the first of June), and to this number add a low estimate for those who had families and there were not less than 5000 persons dependent upon the employment by this establishment for their subsistence.

My time was occupied in the general supervision of all the different branches heretofore mentioned, but more particularly in devising plans for the out-door and mechanical operations. With all these cares, it was impossible to devote a great deal of time to any one of them. Therefore, entrusted most to those who were the most competent to take charge and carry on the particular branches under their immediate control.

The purchase of goods had got to be a very important matter and as it was not possible for me to give the necessary time and attention to it I employed Mr. Horace Janes

of New York as a General Agent for the purchase of goods in New York, authorized him to hire an office with an adjoining room for packing goods, &c., which he established at No. 8 Liberty street in the month of March last. He had not occupied this station long before my brother Lyman told me his money matters were heavy in New York, as all notes had to be made payable there whether discounted at any bank or sold to brokers. Consequently they were all to be provided for in New York, and wished to know if Mr. Janes could be spared from my other employment for that purpose.

Considering the money business the most important of all, I considered that Mr. Janes might attend to such money matters in New York, as my brother should wish and direct. He accordingly sent funds to Mr. Janes to pay notes as they fell due and such other business connected with his money transactions as was necessary.

L. Rathbun told me there would be a large amount due in New York on the 17 & 19 March and that he had sent R. Allen with some funds to assist Mr. Janes in providing for those heavy payments and said R. Allen had got rather slack; he had urged him so strong and so often that it had got to be rather an old story for him to urge Allen and wished me to write him, for he said my letters would have a great deal more influence with Allen than his. He said I must write him strong letters and urge him with strong language to do his utmost to provide for the paper falling due the 17th and 19th and such other matters as he wished him to attend to—dictating to me what to write. I accordingly wrote him several letters while in New York in March, all of which were dictated by L. Rathbun as he understood and had the entire management of all that matter.

Mr. Janes continued and took the entire management of money matters in New York, and R. Allen returned in the month of April. Soon after Mr. Janes took hold of money matters in New York I learned from my brother that he should have so much for Mr. Janes to do in that business that he'd have but little time to buy goods.

Having some other business in New York I started myself for New York on the 4th April and took with me Mr. Thos. G. Perkins, who purchased most of the goods for all the stores in the spring of 1836, for most of my time was taken up in other matters and as I had purchased most of the stock of the Patterson Bank some time was necessary to examine the affairs of the bank, generally, prepare for the annual election of officers, etc., etc.

Having a large interest in the Granville Bank, Ohio, I attended to the completion of the engraving of plates for the large bills, post notes, etc., for that bank.

Engaged my plates for the Commercial Bank of Fort Erie and got the engraving under way.

Employed R. M. Blatchford, Esq., attorney at law, as my legal counsel and attorney, in all legal matters both for myself in person and for Mr. Janes, and the first act was to draw a general and full Power of Attorney for Horace Janes to transact any business for me and in my name. My own time was so wholly taken up in other matters while in New York I could not get time to settle the bills for goods purchased by Mr. Perkins. I therefore left my signature in blank with Mr. Janes for him to fill up notes for the different amounts of the respective bills of goods purchased by Mr. Perkins, and before I left New York I furnished Mr. Janes with my signature on blank notes and checks for him to fill up and use whenever it became necessary in the transaction of his money matters as he should be directed

by L. Rathbun. Mr. Janes took hold of this branch of the business with a spirit and will and firmness seldom if ever equaled by men. Too much credit cannot be given him for his untiring exertions and uniform devotion to my interest. Whatever effect my failure may have upon his pecuniary interest, he has one consolation that his conduct in my business, as laborious, various and trying as it was both to body and mind, he never lost sight of the strictest integrity and that high sense of honor which so ennobles the man and raises him above the censures of the world.

I returned to Buffalo in April; nothing of any importance occurred to my knowledge in money matters until about the 18th May, when a large amount of my paper fell due in New York, and for some reason (not in my possession) my brother could not get the necessary funds to Mr. Janes in time to prevent a large amount of paper of various amounts and in various forms being protested.[1] This created quite an uneasiness with my brother, staggered Mr. Janes—created some timidity in the mind of my newly appointed cashier of the Patterson Bank, and for a time shook the confidence of my New York friends. I discovered my brother was laboring under intense anxiety and appeared to be alarmed, fearing so much paper being protested at once would shake the confidence of endorsers and he should be troubled to get them to continue their endorsements (as he said to me). He told me that among the papers protested were a number of notes endorsed by D. E. Evans of Batavia, and he said he thought I had more influence with Mr. Evans than he had; he wished I would write to Mr. Evans and explain the facts which he said were that he had sent a messenger to New York with funds

1. Compare Thos. Farnham's account, Pubs., Buf. Hist. Soc., vol. xvi, pp. 79-81.

to enable Mr. Janes to provide for all that paper, but for some reason did not arrive at New York in time to save protest, but that the paper would all be taken up without delay. I granted his request and followed his directions.

I asked him how he would get along with the great number of endorsers in Buffalo who had received notices of protest. He said he would take that upon himself to see them in person, each and every individual. He felt confident he could explain the matter to their satisfaction; as he had got their endorsements he thought he could get along with them quite as well as I could, and as it was his neglect not sending funds in time he'd take that upon himself and not trouble me any further than write Mr. Evans. But if any [of] these endorsers should call on me he wish'd me to state to them as he had requested me to state to Mr. Evans. I heard nothing from any of the Buffalo endorsers, none of them called on me, and after some days I enquired of my brother how he got along with those gentlemen. He said he believed they were all satisfied with the explanations. Thus it passed off and I came to this conclusion in my own mind that he (my brother Lyman Rathbun) had more influence with these gentlemen than I had, and as he had the entire control and management of all the money matters I felt it a great relief that he was so perfectly master of his business that he had such influence with that class of men to whom I felt under so much obligation for their assistance. At the same time I supposed they felt that in assisting me they were assisting themselves to a certain extent for they were sensible that the improvements I was making benefited every individual owning real estate in Buffalo.

There were many strong and powerful reasons why I supposed those gentlemen were really and actually my

endorsers. What stronger proof could I have that they were and that my brother had a perfect understanding with them, than the circumstance just mentioned.

With this entire confidence of my brother's ability to manage the branch under his control, the understanding and influence I supposed he had with the endorsers, I rested perfectly satisfied he could get along with the financial part of the concern far better than I could, even if I had no other business to occupy my time.

The supervision of my many other important operations commanded my whole time both night and day. My land operations in Buffalo and Niagara Falls were important and occupied a portion of my time. Much more of my time was necessarily taken up in attention to strangers from New York and elsewhere who were daily referred to me for information on subjects of improvements, worth of lots, cost of blocks of buildings, etc., all of which I felt a deep interest in, as I held so much real estate; and although my own business was pressing upon me there were cases of this kind I could not consistently shake off and have any regard to common civility.

Thus the business went on without the least apprehension that anything was wrong until the 14th of June last. A friend and highly respectable gentleman of this city mentioned to me in the street (apparently confidential) that from some intimations he had from New York he "was afraid there was something going on wrong in my money matters that I knew nothing about." I immediately made some indirect inquiring of my brother, but getting no direct or satisfactory answer I made up my mind to go immediately to New York where the error was supposed to exist, and accordingly made my arrangements in my out-door business affairs as speedily as possible and in as quiet a

manner as I could consistently (being in the midst of building operations) and started for New York on the morning of 20th June to ascertain if possible where the alleged "wrong" existed, and from all I was able to learn without creating alarm was that my paper was out for a much greater amount than I had any previous knowledge of.

In going to New York as I did with a supposition there was something wrong in the money matters in New York I had reason to suppose if there was anything wrong anywhere it originated there, consequently was (or intended to be) extremely cautious in my examination, and although I learned that a very large amount of my paper was out, more than I had any knowledge of, yet I was perfectly satisfied that everything under Mr. Janes' management had been perfectly correct and if any "wrong" existed it was elsewhere.

It is due Mr. Janes to state here I have the most entire confidence in his honesty and strict integrity. Through the whole of this unfortunate transaction (whatever is said of others) Mr. Janes has proved by many visible acts to my satisfaction that he is in every respect an honest man, possessing that high sense of honor that raises him above the slightest censure.

I found from the great amount of my paper afloat (the increase having been caused by enormous shaves[1]) that increased exertion was absolutely necessary and a resort to a heavy loan then seemed to be the most desirable. My first effort for relief was to apply to Richard M. Blatchford Esq. of New York City (who had from the month of April preceding been employed by me as my own legal

1. The practice of note-shaving—the buying of notes at a discount, or the taking of interest on them in excess of legal rates, developed into a somewhat formidable profession, in the early days of private banks, State banks and wildcat finances generally. Mr. Rathbun alludes to it more than once in his narrative, and evidently regarded it as one of the causes contributory to his downfall.

adviser in New York and as general counsel for my agent H. Janes), to effect a loan for some period of time for a large amount. My agent had recommended Mr. Blatchford to me as a man who in addition to his legal experience and ability had an extensive acquaintance with moneyed men and an intimate knowledge of the money market and in whose transactions I might fully confide.

The sum of five hundred thousand dollars was required by me for one year. After several lengthy and confidential interviews with Mr. Blatchford he gave me his opinion the money could be obtained if I could furnish adequate security for its repayment, and even if necessary that double that amount might be had. The security required was to be a bond signed by myself and a sufficient number of wealthy persons in Buffalo, to the satisfaction of Mr. Blatchford. I desired Mr. Blatchford to make arrangements for the loan with the least possible delay and come immediately to Buffalo where I was to furnish the necessary bond agreeing to pay him all his expenses and a liberal compensation for his time and trouble.

Previous to this period I had in contemplation and had made most [of] my arrangements to establish a bank at Fort Erie, U. C., from which I expected great assistance and facilities in carrying on my business operations. Feeling the importance of immediate and increased exertions in my preparations to put that bank into operation on the most permanent and favorable basis for a safe and successful business, I proceeded from New York directly to Montreal to make the necessary arrangements for drawing drafts and providing other facilities which the contemplated bank might require.

My arrangements in Montreal were very satisfactory, my plans were so laid and matured that I had every confi-

dence I could put the bank in operation under the most favorable prospects of success and the facilities I could have obtained from it would have been very valuable in my mechanical operations.

I had already purchased nearly the whole of the stock of the Patterson Bank of New Jersey which was in good repute, doing a safe business on a bona fide cash capital, conducted by experienced officers under the advice and counsel of a judicious direction. The bank was doing a very respectable and profitable business from which I expected to receive accommodations as far as would be perfectly safe and for the interest of the bank.

I had also purchased the majority of the stock of the Granville Bank, Ohio, from which I expected to realize great facilities in my business operations.

Located as these three banking institutions were in the three different directions and a distance from each other, the facility with which I could in my business put the paper into a most favorable circulation had given me the greatest confidence in being able to make those banks useful to me and at the same time make the stock more productive than ordinary banks. From the sale of my Niagara Falls property I expected to receive considerable means to the extent of at least $300,000. From all these means and facilities together with the contemplated loan of $500,000 (a million if wanted) which I had great faith in obtaining, I had fully persuaded myself that I could extricate my affairs from their embarrassed situation.

I returned from Montreal to Buffalo on the evening of the 8th July. On the 9th I received a letter from David E. Evans Esq. of Batavia, and on the 10th while in the act of answering Mr. Evans' letters he called in person on me at my dwelling house in Buffalo.

In this interview with Mr. Evans, he informed me his name had been forged as endorser of a $5,000 note owned by William R. Givin of Medina, Orleans County, and which Mr. Evans said he had in his possession—took it out and showed it to me.

At this information I was perfectly confounded, it being the first knowledge I had of the fact that forgeries had been committed on any of my paper.

I enquired of Mr. Evans where Mr. Givin got the note. He said that Mr. Givin received it from his flour agent in New York.

In further conversation with Mr. Evans, I enquired if he knew, or had reason to suppose, there were any other notes of a similar kind in circulation. He said from letters he had received from Albany he had reason to suppose there were others of the same sort in Albany and that he should pass through Albany soon on his way to Philadelphia. On his saying this, my first impression was I would go to Albany with Mr. Evans and there ascertain the facts. I so expressed myself to Mr. Evans. But when I reflected I had been absent some time and just returned I did not know as it would be possible for me to leave my business long enough to go to Albany. Mr. Evans said he should leave Batavia for Philadelphia the morning of the 13th. I told him I would meet him in Albany if possible, at all events I would write him on the 12th, which I did (as I could not leave so long as to go to Albany) and requested him to make a thorough examination of my paper in Albany and write me frankly the true state of the matter and result of his investigation.

Accordingly Mr. Evans wrote me from Albany on the 17th July and went on his journey to Philadelphia. In the course of this interview with Mr. Evans, on the 10th, he

proposed I should give him $5000 in cash and take up the note.

I sent to my brother and got the money and took up the note although it had more time to run, without letting my brother know what use I wanted it for, only sent that I wanted it for an important use.

This information from Mr. Evans was astounding to me. To what extent this business had been carried on was impossible to imagine. Now what to do—what course to take—or what was my duty to do—was a very important matter. Here was a struggle indescribable. None ever equaled it in the whole period of my life. I have had many, very many, hard and severe struggles in my business operations, but nothing ever presented itself in this shape.

I finally concluded to be silent on this subject, keep the contents of this interview with Mr. Evans entirely to myself until I should get Mr. Evans' letter from Albany and then act upon the information I should receive from him.

In the mean time I wrote Mr. Blatchford urging him to make all haste in coming to Buffalo and completing the arrangements for the loan I desired. In reply to my communication Mr. Blatchford wrote me from Albany stating he had started for Buffalo, but on arriving there had been informed that Mr. Evans had just passed through that city to New York, and believing from the friendly feeling he knew existed between Mr. Evans and myself that his presence might be required in Buffalo to complete the arrangement for the loan of $500,000, he had determined to return to New York in hopes of inducing Mr. Evans to come to Buffalo with him.

The next letter from Mr. Blatchford, written at New York, apprised me that he had found Mr. Evans in Phila-

delphia on his way south and had induced him to change his mind and return with him to Buffalo.

On the 30th of July, Mr. Blatchford came to Buffalo (in the afternoon) and immediately called to inform me of his arrival and that he had completed his arrangement for the loan of $500,000 which was ready whenever the security was made satisfactory. He also informed me that Mr. Evans would be at Buffalo the next day. Mr. Blatchford had previously apprised me by letter from New York that Mr. Evans had generously loaned his note of $50,000 for my benefit upon the application of my agent H. Janes and without my knowledge, and eulogizing the deep and devoted interest Mr. Evans had expressed and shown for my welfare. This letter with the subsequent arrival in Buffalo of Mr. Evans announced by Mr. Blatchford, ensured my unlimited confidence in all his future statements.

In this interview Mr. Blatchford enquired who I should propose to offer as security on the proposed bond for the loan. I named some [of] the gentlemen I supposed I could get by giving satisfactory security. Mr. Blatchford called on me again on the morning of the 31st July. He said he had seen some [of] those gentlemen I had named to him. He thought there would be no difficulty in arranging the matter perfectly satisfactory, providing I could make the security satisfactory to those gentlemen, and for the purpose of showing those gentlemen what security I could give them he proposed I should make out a statement of all my real estate and its encumbrances with an estimate of my personal property. I proceeded with diligence to comply with Mr. Blatchford's request and in the afternoon had prepared and delivered to him for examination the schedule which became subsequently attached to my assignment and marked schedule A. On inspecting it he expressed very great sur-

prise at the extent and value of my estate and spoke in unmeasured terms of the perfect facility and readiness with which this matter would be accomplished, and took the schedule to show to those gentlemen who I supposed were to unite in the security for the loan. On the morning of the first of August, Mr. Evans called on me and exhibited a statement of his loans and liabilities for me and desired me to give him a judgment for the amount. I objected to doing anything of that line, saying I feared it would interfere with the loan which we were then making our arrangements for, and should rather not do anything without seeing the gentlemen that were to be interested.

Mr. Evans replied that he had conversed with some of the gentlemen alluded to and that they made no objection to his having the first lien as his claim was for his paper advanced without any profit to him, but merely for my accommodation, and he then took out his bond and warrant of attorney. I saw it was filled up in the handwriting of one of the gentlemen I had supposed would be engaged in procuring the loan, which satisfied me of the fact and I accordingly executed the papers, which gave Mr. Evans a judgment of eighty thousand dollars.

Shortly after this was done, Mr. Evans called on me again and said Mr. Blatchford wished to see me in some private room. I accordingly went with Mr. Evans to my dwelling house,[1] where we met Mr. Blatchford and D. H. Chandler, Esq., of Batavia, who appeared as Mr. Evans' counsel. I supposed Mr. Evans had brought Mr. Chandler (his counsel) with him to see that the papers for the loan and those to secure it were properly and legally made and

1. Thomas Farnham, in his account of Rathbun published in the preceding volume of this series, says he lived in 1836 at the northeast corner of Main and Eagle streets (p. 78). The Buffalo Directory for 1836 records his residence as "267 Main, cor. North Division."

supposing Mr. Evans the most important individual in the accomplishment of this object I went into a private room with those three gentlemen, viz. Mr. Evans, Mr. Chandler and Mr. Blatchford, to talk over and devise the most fit and proper security (as I supposed) for the all important loan.

Here Mr. Blatchford was principal speaker, which I considered proper, as he was the most important personage in this matter, as the security for the loan had to be made satisfactory to him.

Mr. Blatchford gave me fully to understand the contemplated loan could be effected upon my executing the necessary transfer of my estate as security to those who were to sign the bond. He also intimated that the knowledge of extensive forgeries of their names had come to these gentlemen and that they were unwilling to sign the bond and take the transfer of my property unless the paper or instrument by which I conveyed it contained powers adequate to enable them to make a final settlement of my estate in the event of its being necessary.

He also promised the whole matter should be kept secret and indeed spoke of it—and regarded it—merely as a precautionary measure on my part to serve in the contingency of my not being able to settle my own affairs, that then those persons who were to become my security should have full power to settle it.

Believing from Mr. Blatchford's representations that Mr. Evans had been fully apprised of the understanding between Mr. Blatchford and myself and confiding as I have before stated in the integrity of Mr. Blatchford and his exclusive devotion to my interest, and relying on the friendship and sound judgment of Mr. Evans, whose presence I construed as an approval of all that was done, I yielded

more freely to the suggestions of Mr. Blatchford and consented to execute the paper he then prepared.

When the assignment was prepared by Mr. Blatchford I told him I was ignorant of the nature and effect of such an instrument and desired to know if the paper he wished me to sign contained all the powers and provisions requisite to carry into effect our previous understanding. He replied distinctly it did. Mr. Blatchford seemed to be very anxious to have the business speedily done. My mind was exceedingly agitated and although a subject of great importance it was hurried on and the whole matter completed in a few hours and without leaving the presence of those three gentlemen for a moment from the time the subject of an assignment was named until it was signed.

Immediately after the assignment was signed, Mr. Blatchford requested me to get together my deeds and other evidences of title and go with him to the dwelling house of H. Pratt,[1] Esq., (where he said the assignees were assembled) which I accordingly did, where I found all my assignees, Mr. Evans and Mr. Chandler, this being the first interview I had with the assignees.

From what Mr. Blatchford had said I supposed these deeds and other titles were wanted to be used as security for the proposed loan.

But the time seemed so short for an investigation of that matter it was agreed to postpone it until after the sale at the Falls of Niagara, which had been extensively advertised to take place the next day. It was therefore distinctly and positively agreed that nothing would be said of what had been done until we should all get together again and consummate the arrangements—which pledge was most

1. On Swan street at Elm.

sacredly fulfilled on my part—not even giving the least intimation to L. Rathbun, my clerk. It was there agreed we should all go to Niagara Falls the next day and attend the sale of the immense property I had advertised to take place there, and to continue there until the sale should be closed and then return to Buffalo and hold a meeting where it should be agreed on distinctly what course should be pursued in this matter and settle the final arrangements (as I was induced to suppose) for the loan of the $500,000. One important reason for deferring it until the sales were closed at Niagara Falls [was] a large amount of the best kind of security was supposed would be available from that sale.

I would here remark (since much has been said of the limited provisions of my assignment) that I regret the assignment does not make more general provisions for protecting the interest and more advantageously settling the estate by providing for finishing building contracts, paying liens, on real estate, etc.

Being ignorant myself of the form on necessary provisions of such instrument, the hurried manner in which it was done, and the confidence I placed in others to do it right, is my only apology for its being as it is.

It is due to my assignees here to state that however deficient the assignment may be in its provisions for protecting the interest on the speedy and advantageous settlement of the estate, it is no fault of theirs, for I did not see either of them myself on the subject until after the assignment was signed.

If there was any error it was in the speedy manner so important a paper was drawn up (if it was supposed it would be used in the settlement of the estate). The reason why I did not look into it more particularly myself is, I did not suppose it would be necessary to use it, having my

whole mind intent upon the loan and in case that was obtained I did not suppose the assignment would be used.

I now regret as deeply as any one that it does not possess all the powers and provisions so desirable for the convenience of the assignees and interest of creditors. Such as it is, I executed it in good faith to enable my assignees to settle my estate in case it became necessary; and from the legal course taken with me, it became absolutely necessary for the assignees to take charge of the property, and I have the faith to believe they have done the very best they could do under the provisions of the assignment. If this subject had been named to me in the first place, in a different manner, an assignment with very different provisions might have been drawn. I should in that case have taken more time, for I knew the settlement of that estate was a very important and laborious business.

The greatest error in making the assignment was a want of frankness on the part of those proposing an assignment should be made. Had it been told me at once frankly that there was no probability of obtaining a loan, I should at once [have] set about making an assignment as the all-important instrument to settle the immense estate and not made it in haste or as a "contingency." But [I] should have abandoned the sales at Niagara Falls and at once set about the important instrument with the best advice Buffalo afforded, and when done should have then had the opportunity of proclaiming the failure and the causes of it to the public myself.

The following day, being 2nd August, I went early to the Falls and all my assignees (except Mr. Love), together with Mr. Evans, Mr. Chandler and Mr. Blatchford were there in the course of the day. The sales proceeded as I had reason to expect and I had no reasons to suspect that

anything was in contemplation (or that anything would interfere to defeat the project of the loan) or that there would be anything different from the understanding with Mr. Blatchford until some time in the forenoon of the second day of the sale. Mr. Chandler called on me, saying Mr. Evans, Mr. Blatchford and himself were about to proceed at once to Buffalo. I immediately became alarmed at this intelligence and began to fear that some breach of faith with me was intended, and requested Mr. Chandler to inform Mr. Evans and Mr. Blatchford that I wished to see them immediately. They came to me, when I reiterated the understanding I had on this subject and they then agreed that our meeting should take place at H. Pratt's house in Buffalo, at 7 o'clock that evening, 3rd August. I also stated in this interview that unless the loan was accomplished *that night I should stop business* and that my doors would close that night for the *last time,* should that be the result, and thus terminate and bring to a final close this immense business on which the employment and prospects of so many depended. I wished to be distinctly understood that I claimed the privilege of announcing the fact of my failure to the public myself through the next morning's papers, and state the cause of my closing my doors, which was, that I was informed my own notes were afloat with forged endorsements to a large amount and that I could not consent to the business continuing another day; that as soon as I ascertained the facts and important particulars of this unfortunate matter I should state them to the public. Could I have had the privilege of making such a statement to the public myself in the first place, it would have put the whole of this unfortunate subject in a very different shape from that credited by all the variety of whims, views, and imagination circulated by rumor.

Before leaving the Falls as well as on my way to Buffalo, I was advised and urged by those I had reason to believe were my friends, not to return to Buffalo—that my personal safety was in jeopardy and that my only safety was immediate flight. This advice I knew was from those who could know nothing of the facts and who then supposed I was more implicated in the transactions than I really was. I knew my own case better than they could. Therefore, regardless of all consequences, I determined to return to Buffalo and if possible yet effect the loan. But in the course of that day it had become quite public in Buffalo, through the imprudence of one of the gentlemen who made the pledge, that I had made an assignment, and before night it was rumored that there was forged endorsements on my paper, and before I arrived in Buffalo my brother Lyman was arrested and in prison.

I was arrested immediately on my arrival at my office door and imprisoned without going to my dwelling house or entering any of my premises.

This hasty and unfortunate termination prevented the opportunity and deprived me of the privilege of making the statement before mentioned, for when I arrived at Buffalo the rumor of the failure and the unfortunate circumstances which caused it were many miles on their way in every direction—and in all the variety of forms that could be imagined by an excited community.

After being arrested and in prison, the first and what seemed to me to be a very important move, was to settle the estate in the most speedy manner that prudence would admit of, and from the immense amount and the great variety of the business matters, I knew it was a very laborious and difficult task, and more especially for those who

had not been engaged in or had immediate connection with the detail of the business.

From the knowledge I had of, and the experience I had in, the supervision of these several branches, I felt that I could be very useful in the arrangement and settlement of these various matters, and for that reason had a great desire to be bailed out of prison that I might be useful in the speedy settlement of the estate, and had I been bailed in the first instance I have the vanity to suppose and the faith to believe a very different state of things would have been produced. But finding my application for bail opposed and every exertion useless, I issued a circular on the 31st August last to all my creditors, hoping they'd unite in the adoption of some plan and take the property for a more speedy settlement of the estate than could be done under the assignment with its limited provisions. The effect of this circular was to call a meeting of my New York creditors, who appointed a committee, which committee came to Buffalo and through their influence and assistance I was bailed out of prison on $60,000 bonds.

But I was no sooner out than measures were on foot to put me back, which was effected in precisely one week from my liberation, where I have been since in very close confinement, and although I am conscious I have never given the least occasion for suspicion that I had any desire to escape, stfll I am watched with more jealousy and confined in a close cell more rigidly than any other prisoner in this jail.

I don't mean to speak of this as complaining, but simply to state facts and to show I have no possible chance of assisting in the settlement of the estate.

Immediately after my imprisonment I set about the enquiring into the real state of facts in regard to all this

mysterious business of alleged forgeries. These enquiries for a time seemed to be nearly useless, as they were answered (if at all) with such caution and in such a guarded manner that it always gave me pain to broach the subject, seeing it caused such painful feelings in others. Consequently I did not press the subject until it seemed that the wishes of the public and interest of our citizens absolutely required a public explanation. For this reason I pressed my brother to make up his mind to this disagreeable, yet all important, duty, and at once commence the task.

I waited, and again urged him—waited and again pressed him. But it seemed that when his mind was called to the subject that the horror pierced his very soul.

Thus it passed on until he was bailed out, when I had but little opportunity of seeing him, for he came to the prison but seldom. I suppose those visits were less frequent in consequence of my constantly urging him to make the statement, whenever I saw him.

Finding the prospect of his making the statement lessening and the desires of the public to have it increasing, I set about enquiring of him from time to time into some of the important matters, and although his visits to the prison were seldom, and the interviews very short, owing probably to the unpleasantness of the subject to him, still I did get from him, what I consider some very important facts. Many more might have been got had he not answered most of my questions with such reluctance. I was induced at times to desist for a while, hoping to remove that restraint which seemed to govern all his answers.

This is a heart-rending duty for me and those in the greatest possession of the finer feelings of our nature can be the better judges of mine when called on by the wishes of [the] community and the deep interest of our most worthy

citizens to state facts that under ordinary circumstances my heart would fail me and my pen refuse its duty.

My brother was a man, and although constrained to say it myself, he was a very extraordinary man, possessing very extraordinary powers in many branches; but more especially in financial matters. It is but justice here to remark that whatever he has done, I have faith to believe, and it's the strong conviction of my heart, that he never intended wrong to any one, or that any person should suffer in consequence of (what he considered) the necessity of his imprudence, and as a very strong proof of his views in this matter he was very particular and took unwearied pains to keep all his transactions from my knowledge, which as he has often since the failure said, gave him more trouble than to keep it from any one else.

He had got his two nephews into this unfortunate business (as he said) from necessity as the business had so increased on his hands it was impossible to manage it without assistance and that of talent and the most trusty; he had promised them protection from harm should any difficulty arise and as a proof of his intention to fulfill that pledge his first move, after his arrest was to send a messenger after Allen who was then west, apprising him of the failure and advising him to take care of himself. His next move was to send L. R. Howlet away out of the country unbeknown to anybody when or where he was sent.

I should have given what information I have obtained from him to the public before, but was frequently told that Lyman Rathbun would be brought back, and learning that very great exertions were making and frequent letters received from his pursuers stating the favorable prospect of overtaking, I was induced to suppose it possible that he would be brought back, and should he return I supposed

he would be induced to make the public statement I so often urged him to do, which would be more full, distinct and satisfying to the public than to get it second-handed and in the limited manner I am in possession of what I can state.

This business commenced, as I learn from him, in a very small way at a time while I was absent, when assistance was not at his control, to save the protest of some important paper at a time when some timidity existed as to my ability to meet my engagements; he said he feared if that note should be protested that it might at that time be the cause of much trouble and possibly the means of a failure, and as he had the charge of the financial department he felt a very weighty responsibility on him although the money matters of the concern at that time was light compared with subsequent periods. This first offence he said was by extending a check (as he termed it); this process I do not understand, therefore cannot explain it. This check he says he took up and everything got along with smooth, so that whenever he got cornered for funds he resorted to a similar proceeding, sometimes making checks and sometimes endorsing them. These acts at different periods were resorted to for a considerable length of time. Sometimes quite an amount would be in the brokers' offices and at other periods it would be all taken up. Thus it ran on, he says, for some time before he would make any use of notes.

The detail of this matter I am not in possession of, for want of time to get it during the limited interviews I had with him on this disagreeable subject; considering it most important to [the] community that the main facts should be got first, supposing then I should have time and opportunity to get hold of the smaller matters in their turn.

On my enquiring of L. Rathbun who had done the writ-

ing, in reply he said, when this first commenced he was alone in it and when it had increased beyond his ability to manage it in all its different movements he took Rathbun Allen into his private room and after a long and strong talk telling him it had become absolutely necessary for him to have some assistance, that he had got into that business, there was no other way but to go through with it and get out of it soon as possible.

But to do it and not let me know how the paper was situated he must have some assistance and he dare not trust any other clerk, therefore he must take hold and help him to carry it through; then went on and repeated to Allen some part of the strong impressions I had made on his mind when he first commenced the control and management of the financial department, of the importance of his task, that I had told him that everything depended on the correct, prompt and thorough attention to all payments, that every part of the immense business depended on the financial part being properly managed, that he had told me he would take that part upon himself and if any body could do it he could, that he took not only a great interest, but a pride to carry it through, but found it impossible to do it without assistance. He said he talked with Allen until he consented to take hold, supposing they should soon be able to get it in a more prudent situation. After Allen had enlisted and got his feelings into the business Lyman said it became very necessary for Allen to do a considerable of the writing.[1]

After Lyman Rathbun Howlet came to Buffalo, by the special arrangement of Lyman Rathbun and without my knowledge, he was taken by L. Rathbun into his business

1. Mr. Rathbun evidently strove in this statement to avoid use of the word "forgery," but he came to it before he got through; though always ascribing the actual act to others. That this did not clear him of guilt, the sequel proved. See Gov. Seward's decision, as quoted in vol. xvi, p. 99.

and under his immediate and special charge, direction and control. I did not see him until he had been in L. Rathbun's business for a number of days and then it was by his coming to my dwelling house on an errand for his uncle Lyman.

L. Rathbun first put him to drawing amounts[1] (?) in his moneyed arrangements, but soon after he came into L. Rathbun's employment L. R. had occasion to send R. Allen away for some days after money, and in his absence at some time he (L. R'n) said it became absolutely necessary to let L. R. H. into his secret, and not long after he tried his skill at writing L. R'n said the boy took hold of that part with the most astonishing skill; he said he was at the time perfectly astonished himself at the boy's skill and ability in imitation, and L. Rathbun told me that Lyman Rathbun Howlet had done the most of the writing latterly.

Why, says he, that is the most extraordinary young man that he ever knew or heard of. He said that he would imitate any man's handwriting and in some instances where he was familiar with the hand he could imitate it so exactly that it would be extremely difficult if not impossible for the person whose writing it resembled to detect it himself. This would seem very improbable was it not known that he can and has imitated eleven different signatures as endorsers so exact that they were not detected by good judges, as I am informed and believe to be true.

It has been noticed and remarked that he was a very remarkable, smart, active young man, and had distinguished himself in financial operations, but I presume no one had mistrusted he was ever engaged in any such transactions, for certainly I had not the least suspicion of him until after he was sent away by L. R. I then learned it from L. R'n

1. Original manuscript very obscure, but so it appears to read.

who replied when I was enquiring after the young man and where he had gone, for I wanted him as a witness. L. R. said I could not get him; when I repeated with earnestness that I must have him, he replied that I could not have him for he had taken care that L. R. Howlet was safe. On enquiring what he meant, he gave me an intimation at that time the reason and subsequently gave me a full history of what the young man had done under his charge and although he said everything had been done in good faith and with the most entire confidence that a large loan would be obtained and the paper taken up as it fell due. He had so encouraged both the young men and he believed they had the most entire confidence that it would all come out right. But nobody knew the vast amount accumulated by the immense shaves.

Some time in the spring of 1836 Lyman Rathbun came to me and enquired what security I had given those eleven gentlemen for endorsing three notes of $5,000 each. I told him they had a judgment of $15,000 (being the amount of the notes) and an assignment of the Main-street front of the Kremlin block. After a few moments reflection, he said, those endorsers were so much benefited by my improvements (as most of them were largely interested in real estate) that he was very certain they would be willing to endorse more for me if they were applied to, at any rate he said they would not hesitate to endorse the amount of their security, which as he then estimated it would be $60,000. He said the Kremlin was worth $45,000 and the judgment $15,000 would make the $60,000, and said if I had no objection he would see them and had great confidence in getting their endorsements, for he said he knew they were all very sensible of the importance my exertions and improvements were to them as well as all Buffalo. He

wished me to fill up more notes and he would see more of them the first favorable opportunity. He said he wanted I should fill up the notes with my own hand, as that, he said, would be sufficient guarantee that he had my approbation for calling on them.

I asked him how he'd get Mr. Love's[1] endorsement, as he was in Washington. He said he'd get a line from Mr. L. F. Allen, as he had in former cases, saying it was all right and send the notes to Mr. Love by mail. I accordingly filled up more notes (the number of which is impossible to say), but I think it was either six or nine of $5,000 each, and I think the date was left blank.

As Lyman Rathbun had the entire charge of all that branch of the business, I did not interfere. Several days passed without seeing him, which was not uncommon as my business was at that season of the year wholly out of doors. When I did see him, he spoke of the subject, said he had seen some of those gentlemen—they had not decided, but from what they said he thought they would consent to endorse them. The next time he spoke about them he said he had got them all endorsed and had sent them to Washington for Mr. Love's endorsement.

Some time after the notes had been returned, he showed me the wrapper that (he said) the notes were enclosed and returned in from Mr. Love. That wrapper I have now in my possession and it is evidently franked by Thos. C. Love.

I had no suspicion of anything being wrong in his business, consequently had no reason for any in this case, as I supposed the security in the hands of the endorsers was perfectly good for the amount. At all events I considered myself good for all the paper I had out.

1. Thomas C. Love represented Erie County in the House of Representatives from March, 1835, to March, 1837.

Lyman Rathbun now tells me that those endorsements were all made by Lyman Rathbun Howlet, but it was absolutely necessary for him to deceive me in all this matter, or he would have never got along at all.

He now says that wrapper he showed me franked by Thos. C. Love as enclosing the notes from Mr. Love, contained some public documents, that it was a mere chance circumstance (and as he thought) well calculated to deceive me, at any rate, it answered the purpose. He also tells me that all notes of that description used since are endorsed by L. R. Howlet and filled up by him so exactly imitating my hand that he dont believe they would ever be detected. He also states that all endorsements on those $5,000 notes of eleven endorsers each, excepting those paid and provided for, were forged endorsements. The names purporting to be on said notes are as follows: Lewis F. Allen, Hiram Pratt, Joseph Clary, Ira A. Blossom, Thomas C. Love, John W. Clark, Charles Townsend, Sheldon Thompson, Ebenezer Johnson, Henry Morris and Joseph Dart, Jr.

Lyman Rathbun states in the most positive terms that neither [*sic*] of the above names are actually on my paper for a dollar (except such as has been paid or provided for). That wherever their names appear on my notes of $5,000 each they have been forged. That on most of said $5,000 notes Noyes Darrow's name has been used instead of Henry Morris; that wherever N. Darrow's endorsement appears on said described notes with the other above named endorsements, it is forged.

N. Darrow has endorsed none of my paper but L. Rathbun says he has given him a copy of all the notes he endorsed and has also referred to bill book. Lyman Rathbun further states that Joseph Clary, Potter & Babcock, Townsend & Coit or Townsend, Coit & Co. are not actually endorsers on

my paper for a dollar, although their endorsements (or some of them) appear for a large amount—he says they are all forged.

There may be others whose names have been used that are not actually endorsers for anything at the present time. This is one of the important facts—I regret I did not get a positive statement from him.

Another important fact I regret is not in my possession to state for want of the facts from L. R. He told me that a number of citizens' names had been used and some of them for a large amount, although actual endorsers, but for a small amount compared with the amount their names appear on.

The only decision I got of him in such cases was a reference to his bill book, which is a book I have never seen, consequently am unable to describe either the actual or forged endorsements, although he said there was a private mark by which he could decide the actual signatures from the others. But without much reference he said he could not tell himself even in cases where he was quite familiar with the signatures, for such was the skill with which that young man imitated that it may be very difficult to even get at some, to the entire satisfaction of all parties. In that matter I can give very little information. L. R. gave me several names which he said had been used, some of which were used for large amounts, but I am not able to designate from the information he gave me, and there may be other names that have been used and he omitted to give them to me.

I here insert those he gave me as having been used, but said at the same time he could not state which were actual endorsements or how much their names had been used (without their knowledge) without seeing the bill book and

that, he said, he was informed was in possession of the District Attorney. Some are used as drawers of notes, etc. The names [are] as follows: David Burt, H. H. Sizer, Thomas Day, Johnson Hodge & Co., Daniel Grider, S. Mathews, N. Darrow, S. Wilkeson, Martin Daley, C. Taintor & Co., A. Palmer, N. K. Hall, Sam'l H. Macy, Wm. Forsyth, B. Humphrey, Goodrich & Stebbins, I. W. Skinner, Kimball & Haddock, Josiah Trowbridge, Gardner & Patterson, Orlando Allen, Williams & Baldwin.

Most of these names have been so exactly imitated that it's extremely difficult to detect them and in some instances it would be impossible for others to detect or distinguish the true from the spurious.

My own signature and general handwriting has been so exactly imitated that it would be impossible in many instances for others to detect it, for I know there are some instances where it's impossible for me to decide myself.

In my enquiry of Lyman Rathbun how it was possible he could have carried on the business in the manner it was represented, he replied that no one knew the amount of his labors, the constant care and anxiety night and day, and then said with all his cares he had more trouble to keep the situation of the paper from my knowledge than all others. He said Lyman Rathbun Howlet was worth six men to him. He said he never knew him to make but one mistake and that was with me. He said he had used so many notes with the eleven endorsers filled up by L. R. Howlet appearing to be my hand and as he said so good an imitation that they had never been detected; that it became necessary to get me to fill up some for fear I should find out that my filling up had been imitated and as he said he must have some true or the imitation would be detected. So he said to L. R.

Howlet a few days before the failure, he must go over to my house and ask me to fill up more notes for eleven endorsers to renew some that would fall due on the 15-18 August in New York. L. R. Howlet made this mistake: instead of coming to me to fill up more notes for eleven endorsers he brought me some notes to fill up with eleven endorsers already on the notes.

As he handed the notes to me, he said:

"Uncle Lyman wants you to fill up these notes $5,000 each, to renew some, same kind, that will fall due in New York 15-18 August."

As I took the blanks I saw they were endorsed. I said:

"Lyman, what does this mean?"

I looked him full in the face and saw (for the first time) he was a little flushed, for he evidently saw he had made a mistake. He then proposed to take the blanks back to his uncle Lyman.

"No, sir, you can't take these to your Uncle Lyman. But do you go to your Uncle Lyman and tell him distinctly that I say there must not be any more notes used with these endorsers. If the notes due 15-18 August cannot be paid, they must be protested."

I put the blanks into a small portfolio and locked them up in my desk at the house until I should have an opportunity of an interview with my brother and get an explanation and a full investigation of the whole affair.

But as this was but a few days before Mr. Blatchford came to Buffalo, no opportunity offered until long after the failure, and even until after L. R. Howlet had left the country did I know the true state of the case.

All this has been a wonderful mysterious business, and it's not at all surprising the public should be perfectly

astounded at the facts, and what is more astonishing that it should have been carried on to such an extent in the manner it was under the sole management of a single individual and that in the face and eyes of some of our sharpest and most scrutinizing brokers and bank officers.

It's unparalleled in history.

His financial powers are unequaled and his skill in keeping the situation of the paper from my knowledge is a sufficient proof to me of his ability to keep it from others, although many of those who were in the daily and hourly habit of transacting business with him had a far greater opportunity of suspecting wrong than I had. Still, from what knowledge I have of the ability and the adroitness of his plans (none of which he explained in the recent interviews) I am perfectly satisfied that no censure should rest on others for any knowledge of the situation of the paper previous to the failure.

It is but proper here to state that in one of the last interviews I had with him, he declared in the most positive terms (what I had never doubted) that he never intended wrong, nor for a moment supposed or feared that every [? any] person would even suffer one dollar.

But before he was aware of it, the amount thus used got beyond his control. The situation of the paper compelled him to pay or renew it when due at whatever interest the holders were disposed to ask. Money getting scarcer, higher interest was paid until the amount had got to be alarming. Still, he said he saw no other way but to go onward, for he said he saw distinctly that one step backward was ruin. He frequently spoke to me of the necessity of a large loan. I encouraged him in the belief the loan would be obtained and felt that I had good ground for that

belief, and as a proof of his determination to keep the business agoing so that no one should suffer, he sent $56,000 to New York in bank paper on the evening of 31st July and on the 1st August he sent a considerable more to take up all paper as it fell due.

However strong and just the censures may be for the imprudence of the course or the criminality of the act, I have the most entire confidence in the man's intentions and belief that such paper would all be taken up, and even under any circumstances, he said he supposed there was property enough to do it.

Yet the amount had accumulated so fast for the last few months, from the immense interest paid on so large amount, that I doubt whether he had even time to foot up the amount of indebtedness, only from day to day as payments fell due, for his labors were immense, separate from that of managing so much spurious paper in all its variety of forms, amounts and use. The best proofs of his being an extraordinary manager, are the facts that there was an immense amount of this spurious paper in our own city, in every bank and broker's office, and most of it renewable on short date. It would take volumes to explain all his plans, skill, management, adroitness and deception, which he said he had to make daily and hourly use of to deceive me and others.

In some one of these last interviews with L. Rathbun I enquired what amount he had probably paid for shaves. He replied, it was probably the amount of the forgeries. That was as near as he could get at it, and then remarked with a great deal of feeling, "If there had never been any shaving there would have never been any forging," then continued to remark (more coolly) that he had the most

entire confidence—this business of improvements, merchandising, etc., as extensive as it was, could and would have been carried through, successful and profitable, if money could have been hired at seven pr. cent., for every branch was so systematized that it could hereafter be conducted with much greater economy than in the commencement.

THIS BOOK IS DUE ON THE LAST DATE STAMPED BELOW

AN INITIAL FINE OF 25 CENTS
WILL BE ASSESSED FOR FAILURE TO RETURN THIS BOOK ON THE DATE DUE. THE PENALTY WILL INCREASE TO 50 CENTS ON THE FOURTH DAY AND TO $1.00 ON THE SEVENTH DAY OVERDUE.

MAR 30 1936

FEB 19 1945

4Apr'53LO

APR 2 1958 LU

26Apr57RK

REC'D LD

APR 26 1957

LIBRARY USE

MAY 4 1957

REC'D LD

MAY 4 1957

MAR 2 1978

REC. CIR. JAN 13 '84

JAN 20 1994

RECEIVED

FEB 27 1995

CIRCULATION DEPT.

JUL 31 1997

AUG 08 1998

CIRCULATION DEPT.

LD 21-100m-7,'33

U. C. BERKELEY LIBRARIES
C042456295

328463
F129
B8B85
W17
UNIVERSITY OF CALIFORNIA LIBRARY